No. 17-1229

In the Supreme Court of the United States

HELSINN HEALTHCARE S.A.

Petitioner,

v.

TEVA PHARMACEUTICALS USA, INC.,
TEVA PHARMACEUTICAL INDUSTRIES, LTD.,

Respondents

On Petition For Certiorari
To The United States Court Of Appeals
For The Federal Circuit

BRIEF FOR *AMICUS CURIAE* CONGRESSMAN LAMAR SMITH IN SUPPORT OF PETITIONER

Robert A. Armitage
Counsel of Record
320 Seaview Court
Marco Island, FL 34145
raarmitage@aol.com
(703) 801-6334

March 27, 2018

QUESTION PRESENTED

In addition to barring a patent claim for "lack of novelty" based on "on sale" activities under newly enacted 35 U.S.C. § 102(a)(1)—

> (1) irrespective of the person to whom such "on sale" activities are attributable and
>
> (2) irrespective of the country in which such "on sale" activities take place, but
>
> (3) only if the subject matter defined by the claim is thereby made available to the public,

does the Leahy-Smith America Invents Act also provide that the inventor of the patent will forfeit the right to obtain a valid patent claim based upon "on sale" activities—

> (1) only if such "on sale" activities are attributable to the inventor and
>
> (2) only if "on sale" activities take place in the United States, but
>
> (3) irrespective of whether the subject matter defined by the claim is thereby made available to the public?

TABLE OF CONTENTS

QUESTION PRESENTED i

TABLE OF CONTENTS ii

TABLE OF AUTHORITIES iv

I. INTEREST OF *AMICUS CURIAE* 1

II. SUMMARY OF THE ARGUMENT 1

III. ARGUMENT 6

A. As Properly Construed, H.R. 1249's Statutory "On Sale" Bar Can Invalidate A Patent Claim Only If The Subject Matter Defined By The Claim Has Become Publicly Accessible Through The "On Sale" Activities. 7

1. H.R. 1249's Substantial Changes To The Patent Act Require That Newly Enacted Section 102 Be Construed *De Novo*, Not As A Mere Restatement Of The Old Patent Law. 7

2. H.R. 1249's New Statutory Text In § 102(a)(1), *If Simply Construed As Written*, Sets Out A Single "Public Accessibility" Standard That Applies Irrespective Of Whether the "On Sale" Activities Are Attributable To The Inventor. 11

3. H.R. REP. NO. 112-98 Eliminates Any Possible Doubt Over the Proper Construction To Be Given

To Newly Enacted § 102(a)(1). 17

4. The Panel Decision Ignored The Directive In H.R. 1249 That The "Subject Matter Defined By The Claim" Must Be "Available To The Public" To Invalidate A Patent Claim. 19

B. The Panel Decision Cannot Properly Be Upheld As A Matter Of Nonstatutory, Judge-Made Law Given Such A Holding Would Do No More Than Contradict What Is In The Statute Itself And Frustrate The Constitutionally Consistent Objectives Of Congress In Enacting The New Patent Law. 21

IV. CONCLUSION 24

TABLE OF AUTHORITIES

Cases

Helsinn Healthcare v. Teva Pharmaceuticals USA, Inc., 855 F.3d 1356 (Fed. Cir. 2017) 6, 11

Helsinn Healthcare v. Teva Pharmaceuticals USA, Inc., App. Nos. 2016-1284, -1787, J. O'Malley, concurring in the denial of panel rehearing (Jan. 16, 2018)..... 7

Pennock v. Dialogue, 27 U.S. (2 Pet.) 1 (1829)..... 23

Peters v. Active Mfg., 129 U.S. 530 (1889)..... 23

W.L. Gore & Assocs. v. Garlock, 721 F.2d 1540 (Fed.Cir.1983)..... 13

Statutes

35 U.S.C. § 100(a)..... 20

35 U.S.C. § 100(j)..... 5, 20

35 U.S.C. § 102.....passim

35 U.S.C. § 102(a) [H.R. 1249]..... 12

35 U.S.C. § 102(a) [1952 Patent Act]..... 10

35 U.S.C. § 102(a)(1) [H.R. 1249] .....passim

35 U.S.C. § 102(b) [1952 Patent Act].....5, 10, 14, 16

35 U.S.C. § 102(c) [1952 Patent Act] 15

35 U.S.C. § 102(d) [1952 Patent Act]..... 15

35 U.S.C. § 102(f) [1952 Patent Act] 15

American Inventors Protection of 1999, Act of 1999, Pub. L. No. 106-113, § 4001, 113 Stat. 1501, 1501A-552..... 8

Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (H.R. 1249)..... 1, 9, 18

Patent Act of 1836, 5 Stat. 117..... 2

Patent Act of 1952, Pub. L. No. 593, 66 Stat. 792. .. 8, 10

Patent Law Amendments Act of 1984, Pub. L. No. 98–622, 98 Stat. 3383..... 8

Miscellaneous

Cambridge Dictionary (UK English; Online) at https://dictionary.cambridge.org/dictionary/english/define..... 20

Dmitry Karshtedt, *Did Learned Hand Get it Wrong?: The Questionable Patent Forfeiture Rule of Metallizing Engineering*, 57 Vill. L. Rev. 261 (2012) 14

H.R. REP. NO. 112-98 (2011) 18

H.R. REP. NO. 82-1923 (Appendix, Revision Notes) 10

Joe Matal, *A Guide to the Legislative History of the America Invents Act: Part I of II*, 21 Fed. Cir. B.J. 435 (2012) 18

National Research Council. 2004. *A Patent System for the 21st Century*. Washington, DC: The National Academies Press. https://doi.org/10.17226/10976..... 2, 8, 9

Oxford Living Dictionaries (US English; Online) at https://en.oxforddictionaries.com/definition/us/define..... 20

Robert A. Armitage, *Leahy-Smith America Invents Act: Will It Be Nation's Most Significant Patent Act*

Since 1790?, Washington Legal Foundation Legal Backgrounder Vol. 26, No. 21 (September 23, 2011)..... 9

Robert A. Armitage. *Understanding the America Invents Act and Its Implications for Patenting*, 40 AIPLA Q.J. 1 (2012)..... 12

S. REP. NO. 111-18 (2009)..... 18

I. INTEREST OF *AMICUS CURIAE* [1]

Amicus Curiae Congressman Lamar Smith served as Chairman of the Committee on the Judiciary of the U.S. House of Representatives during the pendency of various patent reform bills, including H.R. 1249, 112th Congress, enacted as the Leahy-Smith America Invents Act. He was lead sponsor of the bill and managed consideration of the bill in the House through the debate on the House floor.

Amicus has no financial interest in the parties to this litigation or in the outcome of this specific case. His sole interest in this appeal is that 35 U.S.C. § 102(a)(1), as enacted under H.R. 1249, be interpreted in a manner faithful to the legislative text.

II. SUMMARY OF THE ARGUMENT

The enactment of H.R. 1249—the Leahy Smith American Invents Act—began a new era for the U.S. patent system. Through this new statute, Congress eliminated from the U.S. patent law some of its most subjective and complex patentability requirements.

Congress enacted new conditions for patentability to replace them. These new conditions for patentability emphasized a transparency, objectivity, predictability, and—above all—simplicity unattainable under standards that applied under the pre-H.R. 1249 law.

---

[1] This brief was not authored, in whole or in part, by counsel for any party. No person or entity other than *Amicus curiae* or his counsel of record made a monetary contribution to the preparation or submission of this brief. Counsel of record for each of the parties received timely notice of the intent to file this brief. Each party has consented to the filing of this brief by the filing of a blanket consent.

Most importantly, the newly enacted law favored patentability standards that moved the U.S. patent statute far closer to international norms for patenting. By any reckoning, H.R. 1249 was historic patent legislation, the likes of which had not been seen in the United States since at least the Patent Act of 1836.

Congress was materially aided in its legislative journey by the efforts of the National Research Council of the National Academies of Science. After a four-year study of the patent system, the NRC made a stunning set of recommendations in a 2004 report that called for fundamentally restructuring the U.S. patent law.

Those recommendations became the blueprint for the work of Congress that began in earnest the following year and was finally completed with the introduction and passage of H.R. 1249 in 2011.

Among elements removed from U.S. patent law were features that by 2011 *were found nowhere else in the world*. The most notable among such provisions was the so-called "first-to-invent" principle where the United States stood alone on the world in granting patents based on an inventor's supposed "date of invention."

Another such globally unprecedented feature of the pre-H.R. 1249 patent law was the so-called "inventor forfeiture" bar based upon "on sale" activities that can be specifically attributed to the inventor, as well as its companion, the so-called "in public use" bar. The panel below applied this type of "on sale" forfeiture bar to invalidate Petitioner's patent. Before H.R. 1249, under this inventor-forfeiture bar, if "public use" or "on sale" activities taking place [1] *in the United States* could be [2] *attributed to the patent's in-*

ventor, then such activities could suffice to bar the inventor's patent claims, [3] *irrespective of whether the subject matter defined by the inventor's patent claims was made available to the public as a result.*

There was no dispute in the proceedings below that a different—and essentially opposite—standard applied when the same "in public use" or "on sale" activities were alleged to constitute "prior art" used to bar a patent for "anticipation" or lack of novelty. As an "on sale" prior-art bar, for example, the pre-H.R. 1249 law required that "on sale" activities attributable to anyone other than the patent's inventor could only invalidate a patent claim *if the subject matter defined by the claim was made available to the public* as a result of the "in public use" or "on sale" activities.

The panel decision can be read as simply porting both the pre-H.R. 1249 inventor-forfeiture and prior-art "on sale" bars to patenting from the old statute into the newly enacted statute, as though the newly enacted sections of the H.R. 1249 Patent Act had reenacted both of them. However, Congress did not do so.

Any fair reading of 35 U.S.C. § 102(a)(1), the relevant new statute, indicates that *there is no bar in the new statute* [1] *specific to inventor-attributable "in public use" or "on sale" activities,* [2] *only if undertaken in the United States,* before the inventor's patent was sought, particularly one that could operate [3] *irrespective of whether the subject matter defined by a claim was available to the public.* Indeed, the relevant new statutory provision contains only a single bar to patenting. This newly enacted statutory provision, as it relates to "on sale" activities, [1] is *inventor-agnostic,* [2] with no geographic restriction on

the activities that might constitute a patent bar, and [3] specifically requires the subject matter defined by the claim must be available to the public.

The only thing stated in the newly enacted statutory text with respect to "on sale" activities is that such activities invalidate a patent claim if "*the subject matter defined by a claim*" was "*on sale, or otherwise available to the public before*" the inventor's patent was sought. Self-evidently, any reading of the new statute reveals that—

(1) It contains no provision that can be read as allowing inventor-attributable "on sale" activities to be subject to any different standard from that which applies to "in public use" or "on sale" activities attributable to anyone else.

(2) It contains no provision specific to inventor-attributable "on sale" activities that would limit such a bar solely to commercialization-related activities undertaken in the United States—which is the only circumstance in which such an inventor-attributable bar could ever justify an inventor's forfeiture of the right to secure a U.S. patent.

(3) Unlike the pre-H.R. 1249 Patent Act, the comparable text of the newly enacted statute makes explicit that a *public accessibility* standard applies with respect to all "in public use" or "on sale" activities under the newly enacted statute—by virtue of the addition to the statute of the new terminal qualifier "or otherwise available to the public." The added qualifier could have no other purpose and, thus, leaves no room for doubt.

(4) Unlike the pre-H.R. 1249 Patent Act, the newly

> enacted statute defines the term "claimed invention" (a term never before defined in the Patent Act) and then uses that new defined term—together with the new "otherwise available to the public" qualifier—to remove any potential ambiguity that might have been present in the pre-H.R. 1249 Patent Act as to *what* must be made publicly accessible, *i.e.*, whereas the old statute merely stated a patent was barred for an "*invention* ... on sale *in this country*" (old 35 U.S.C. § 102(b)), the new statute states a patent is barred for a "*claimed invention* ... on sale, or otherwise *available to the public*" (35 U.S.C. § 102(a)(1)) with the term "claimed invention" defined as the "subject matter defined by a claim." (35 U.S.C. § 100(j).

Thus, the "statutory on-sale bar" referenced in the panel decision, based on activities attributable to the patent's inventor, simply cannot be found anywhere in the newly enacted statute. No reading of the new statute can contort the words in the new statute sufficiently to fit therein a separate and additional "on sale" forfeiture bar—(1) applying only to inventor-attributable activities, (2) applying only to United States activities, and (3) extending to subject matter never made available to the public.

The panel decision cannot be justified on some alternative theory that Congress may have repealed and then failed to reenact the pre-H.R. 1249 bar on inventor-attributable "in public use" or "on sale" activities through some oversight—such that a court would be justified in interpreting the new statute to rectify such an oversight. Indeed, Congress repealed not only the inventor-attributable "on sale" forfeiture bar, but repealed each of the like bars to patenting in

which an inventor's own actions before the inventor sought a patent could result in a forfeiture or loss of right to patent. None of these old statutory "loss of right to patent" provisions were reenacted into law—and all references to "loss of right to patent" were in fact removed from the newly enacted statute.

The final evidence that Congress acted through intent, rather than oversight, comes from H.R. REP. NO. 112-98, the committee report on H.R. 1249. This report explains that when Congress added the words "available to the public"—nowhere present in the pre-H.R. 1249 Patent Act—to newly enacted § 102(a)(1), it meant what it plainly said—the H.R. 1249 "on sale" bar required the subject matter defined by the claims to be publicly accessible.

Because the panel decision reflects numerous errors in statutory construction, detailed below, *the most important of which is that the panel simply failed to construe the new statute as actually written*, a grant of certiorari is needed to avoid the prospect that millions of U.S. patents over the next several years will be examined and issued—and many of them enforced—applying a now-repealed legal standard not reenacted by H.R. 1249.

III. ARGUMENT

The proceedings below before the Federal Circuit resulted in a panel decision[2] by Judge Dyk and a second opinion by Judge O'Malley, concurring in the denial of Petitioner's request for reconsideration en

---

[2] *Helsinn Healthcare v. Teva Pharmaceuticals USA, Inc.*, 855 F.3d 1356 (Fed. Cir. 2017).

banc.[3] These decisions have deficiencies, detailed below, that make a grant of certiorari necessary to assure that H.R. 1249's newly enacted 35 U.S.C. § 102(a)(1) is not errantly construed to find a special "on sale" forfeiture bar, limited to inventor-attributable "on sale" activities, that is manifestly not present in the newly enacted statute.[4]

A. As Properly Construed, H.R. 1249's Statutory "On Sale" Bar Can Invalidate A Patent Claim Only If The Subject Matter Defined By The Claim Has Become Publicly Accessible Through The "On Sale" Activities.

1. H.R. 1249's Substantial Changes To The Patent Act Require That Newly Enacted Section 102 Be Construed *De Novo*, Not As A Mere Restatement Of The Old Patent Law.

The enactment of H.R. 1249 was the capstone of

---

[3] *Helsinn Healthcare v. Teva Pharmaceuticals USA, Inc.*, App. Nos. 2016-1284, -1787, J. O'Malley, concurring in the denial of panel rehearing (Jan. 16, 2018).

[4] The Question Presented in this brief was intended to lay out for the Court both the nature of the "prior art" provision that is indisputably present in the newly enacted statute and what the Court would need to determine must additionally be found in the statute in the nature of a "inventor-forfeiture" provision for Petitioner's patent to be held invalid. The Court is invited to consider whether this question more precisely and fully lays out the issue of statutory construction that would merit review by the Court.

congressional efforts over several decades[5] aimed at modernizing the U.S. patent laws. In this regard, the new law was designed as a significant departure from foundational elements of the 1952 Patent Act.

Passage of H.R. 1249 was the culmination of a six-year legislative effort to enact a collection of 2004 recommendations by the National Research Council of the National Academies of Science.[6] A central feature of the NRC-recommended reforms was adoption of the first-inventor-to-file principle. In making this transformation from the first-to-invent principle—which had been at the core of the U.S. patent system for over a century—Congress determined that:

> [C]onverting the United States ... to a system of "first inventor to file" will harmonize the United States ... with ... nearly all other countries throughout the world ... and thereby promote a greater sense of international uniformity and certainty in the procedures used for securing the exclusive rights of inventors to their discoveries."[7]

To achieve the necessary uniformity and certainty, Congress was obliged to make a fresh start with several sections of the Patent Act. This led to the repeal of 35 U.S.C. § 102 of the 1952 Patent Act addressing

---

[5] See, especially, the Patent Law Amendments Act of 1984, Pub. L. No. 98–622, 98 Stat. 3383 and the American Inventors Protection of 1999, Act of 1999, Pub. L. No. 106-113, § 4001, 113 Stat. 1501, 1501A-552.

[6] National Research Council. 2004. *A Patent System for the 21st Century*. Washington, DC: The National Academies Press. https://doi.org/10.17226/10976.

[7] Sec. 3(q), Pub. L. 112-29, 125 Stat. at 293.

"Conditions for patentability; novelty and loss of right to patent" and its replacement with an entirely new section.

Like other aspects of the NRC-recommended changes to the Patent Act, the new patentability principles in the newly enacted § 102(a)(1) were calculated to effect the greater transparency and simplicity needed to foster enhanced certainty that would characterize a newly internationally harmonized patent law.[8]

H.R. 1249 reflected in many respects an opposite legislative approach from that of the 1952 Patent Act. The 1952 legislative effort was almost solely aimed at simply regurgitating long-existing patenting standards into a new version of the prior patent statutes. The best example of the redrafting (rather than reform) nature of the 1952 law can be found in the key provisions of section 102,[9] including the foundational provisions of old § 102(a) and old § 102(b) of the 1952 Patent Act.

In 1952, Congress noted in enacting these subsections that it was preserving all of the patent law that had come before, "'[n]o change is made in these para-

---

[8] Robert A. Armitage, *Leahy-Smith America Invents Act: Will It Be Nation's Most Significant Patent Act Since 1790?*, Washington Legal Foundation Legal Backgrounder Vol. 26, No. 21 (September 23, 2011), p. 1, available at http://www.wlf.org/Upload/legalstudies/legalbackgrounder/09-23-11Armitage_LegalBackgrounder.pdf.

[9] A statutory reference herein without a corresponding indication of the title of the United States Code in which the statute resides refers to title 35, United States Code.

graphs other than due to division into lettered paragraphs."[10] Even when the existing law could have been better expressed in different words, Congress stuck with old expressions from the former statute, however inapt,[11] to suggest *no change whatsoever in the law that had come before.*

The exercise at construing the provisions of our Nation's new law on patentability under H.R. 1249 needs to reflect a quite different approach to statutory construction given the intent to do more than simply rewrite. Unlike what might have reflected congressional intent in 1952, Congress was not writing a new statute in 2011 in the hope that old principles of an old law could somehow be fit into the words of the new statute—even where some of the individual words in the new statute are unchanged from the old. As noted above, H.R. 1249 aimed at a new "system," reflecting both different policy values and a different approach to the manner in which the patent laws should operate to best promote progress in the useful arts.

At a minimum, therefore, the task of the panel below should have been to view with fresh eyes a new statute setting out a new and different patent law. Unlike 1952, in 2011 Congress was not imploring the courts to find that nothing had been changed from the prior statute with the repeal of old section 102 and the enactment of a replacement.

---

[10] H.R. REP. NO. 82-1923 (Appendix, Revision Notes), p. 17.

[11] See H.R. REP. NO. 82-1923 (Appendix, Revision Notes), *supra*, at p. 17, *i.e.*, "The interpretation by the courts of paragraph (a) [of old section 102] as being more restricted than the actual language would suggest (for example, 'known' has been held to mean 'publicly known') is recognized but no change in the language is made at this time."

All that said, whatever else the new statute merits as it is construed by the courts, it deserves to be applied *as actually written*. Given the story behind its enactment, one imperative must be to avoid any temptation to distort what is in the new statute in an effort to see elements of an old patent law that are no longer there.

2. H.R. 1249's New Statutory Text In § 102(a)(1), *If Simply Construed As Written*, Sets Out A Single "Public Accessibility" Standard That Applies Irrespective Of Whether the "On Sale" Activities Are Attributable To The Inventor.

A simple reading of newly enacted § 102(a)(1) reveals that the panel below did not apply this new statute as written. The panel's failure to "apply as written" is the core defect in its decision.

The panel decision purports to do no more than construe a new statute, *i.e.*, what Judge Dyk's opinion references as the "statutory on-sale bar,"[12] now found in newly enacted 35 U.S.C. § 102(a)(1).[13] Thus, to get

---

[12] 855 F.3d at 1369.

[13] Newly enacted 35 U.S.C. § 102(a) contains two categories of prior art often referred to as "publicly disclosed" prior art found in paragraph (1) and "patent filing" prior art found in paragraph (2), respectively. "Patent filing" prior art arises from a non-public disclosure in a patent filing that eventually publishes, either as an application or as an issued patent. Once published it exerts its effect as prior art back to its non-public, patent-filing date. The "on sale" bar arises from paragraph (1) activities. See Robert A. Armitage. *Understanding the America Invents Act and*

to the right result for this or any other "statutory" construction exercise, the holding of the court needs to align with how the statute actually reads.

Under newly enacted § 102(a)(1), a patent claim is invalid if "the claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention." In general, the "patented" and "described in a printed publication" categories for § 102(a)(1) "prior art" can be thought of as "document-based," while the remaining categories can be characterized as being "activities-based."

On its face, the new statutory "on sale" bar to patenting applies equally to all "activities-based" disclosures irrespective of the person who is the source of the actions. Indeed, because actual text of the statute cannot be construed to mean anything else, there is no possible textual justification in newly enacted § 102(a)(1) for imposing a different standard for determining whether a disclosure is or is not a bar to patenting *depending on whether or not the underlying "on sale" (or "in public use") activity in question arises from actions attributable to the inventor of the claimed invention.*

Thus, if the panel decision had been true to the statutory text, it could not have imposed an "on sale" bar based on Petitioner's own "on sale" activities that would have been any different from the bar that would have applied had the on sale activities been attributable to anyone else. Notwithstanding the plain

---

Its Implications for Patenting, 40 AIPLA Q.J. 1, 22-87 (2012), available at https://www.uspto.gov/sites/default/files/aia_implementation/armitage_pdf.pdf.

meaning in the statutory text, this is precisely what the panel did.

Historically, *except for actions attributable to the inventor*, the only "on sale" (or "in public use") activities that could invalidate a patent claim for lack of novelty were those in which *the subject matter defined by the claim had become publicly accessible through those activities.*[14] For example, it is beyond dispute that had the "on sale" activities here been undertaken by the Respondent rather than Petitioner, Respondent could have relied its own "on sale" activities to invalidate the Petitioners patent claims *only to the extent those activities rendered the subject matter defined by the claims publicly accessible.* Because the "on sale" activities in question did not make the details of the claim to the invention publicly accessible, had the identical "on sale" activities *not* been attributable to the inventor, old § 102(b) would not have invalidated Petitioner's patent.

Under the pre-H.R. 1249 patent statute, inventor-attributable "on sale" activities were construed as not being held to this public accessibility requirement.[15] Thus, for inventor-attributable "on sale" activities, the details of the invention did not need to be publicly available.

This special legal rule applying only to inventor-attributable activities gives rise to what, under the

---

[14] *W.L. Gore & Assocs. v. Garlock*, 721 F.2d 1540 (Fed.Cir.1983),

[15] *Pfaff v. Wells Electronics, Inc.*, 525 U.S. 55, (1998).

pre-H.R. 1249 law, is typically characterized as a *forfeiture* of the right to patent.[16] The old statute operates with this "forfeiture" component, as well as a companion "prior art" provision, because an inventor forfeiture rule is one that applies only to actions that can be attributable to the inventor, while prior art arises whenever non-inventor disclosures can trigger the bar.

In enacting H.R. 1249, Congress gave consideration to the fate of each the various "loss of right to patent" provisions under which the actions of the inventor before the inventor's patent filing could result in a forfeiture by the inventor of the forfeiting inventor's right to patent. Pre-H.R. 1249 section 102 contained three other such *loss of right to patent* or *forfeiture* provisions.

Old 35 U.S.C. § 102(c) provided that an inventor could "abandon" an invention and forfeit the right to patent it. Old 35 U.S.C. § 102(d) provided the same consequence if foreign patenting was undertaken by the inventor prematurely. Old 35 U.S.C. § 102(f) barred a patent if the patent applicant "did not himself invent the subject matter sought to be patented."

These "attributable to the inventor" bars were repealed once Congress repealed outright old section 102. Once repealed, none of them were reenacted through H.R. 1249.

Congress took an additional step in enacting H.R. 1249 to clarify such a full repeal had been accom-

---

[16] Dmitry Karshtedt, *Did Learned Hand Get it Wrong?: The Questionable Patent Forfeiture Rule of Metallizing Engineering*, 57 Vill. L. Rev. 261 (2012), available at: http://digitalcommons.law.villanova.edu/vlr/vol57/iss2/2.

plished. Old section 102 carried the caption, "Conditions for patentability; novelty and *loss of right to patent*." Newly enacted section 102 is captioned simply, "Conditions for patentability; *novelty*." With these actions taken by Congress, nothing remains in the Patent Act to provide even the slightest hint that a "loss of right to patent" or forfeiture provision might remain based upon inventor-attributable activities.

Thus, given the foregoing context, the panel decision can be best understood as premised on an assumption, never explicitly stated in the decision, that the term "on sale" in newly enacted § 102(a)(1) can somehow have two different and essentially contradictory meanings as to what can constitute an "activities-based" bar to patenting—one meaning for inventor-attributable activities (and thereby creating an "on sale" forfeiture bar) and a second for activities attributable to anyone else (and thereby constituting a "prior art" bar under which a patent could be invalidated on anticipation or "lack of novelty" grounds). However, no possible reading of newly enacted § 102(a)(1) would provide any basis in the statute for such a bifurcated interpretation.

Indeed, comparing the new text of newly enacted § 102(a)(1) to the old § 102(b) assists in underscoring that this forfeiture aspect of old § 102(b) relating to "on sale" activities has no counterpart in the newly enacted law—

(1) Congress added a terminal qualifier in newly enacted § 102(a)(1) that did not appear in old § 102(b), such that the new statute now reads: "in public use, on sale, *or otherwise available to the public*." The addition of this qualifier hardly permits any doubt as to whether it was added for the specific purpose of underscoring that the newly enacted paragraph was to

be entirely restricted to precisely the same meaning the "on sale" bar had when patents were invalidated based on "prior art," *e.g.*, as old § 102(b) applied to "on sale" activities not inventor-attributable.

(2) Old § 102(b) included an "in this country" limitation on "in public use or on sale" activities that could result a forfeiture-type bar based upon an inventor-attributable "on sale" activities that is absent from newly enacted § 102(a)(1). Such a limitation was essential to the inventor-forfeiture bar in § 102(b) since the essence of the bar based upon inventor-attributable activities was to prevent an inventor from "gaming" the U.S. patent system—by seeking patent rights in the United States only after securing commercial benefits in the United States in the form of commercial use and/or sale of the invention for which the U.S. patent was later sought. It would have made no policy sense for Congress to have reproduced the old § 102(b) forfeiture bar in newly enacted § 102(a)(1) without also explicitly writing into the new statute that this forfeiture only applied to inventor-attributable "on sale" activities *in the United States*. Rather than reproducing the "in this country" limitation from old § 102(b) into newly enacted § 102(a)(1), either in whole or in part, Congress took the dramatic step of removing any geographic limitation from § 102(a)(1)-type prior art. This expansion of prior art represented a critical step towards further harmonizing U.S. patent law with that of other countries where "activities-based" prior art is not restricted geographically. Thus, this aspect of the newly enacted statute provides compelling evidence that the inventor-forfeiture aspect of old § 102(b) is nowhere to be found in § 102(a)(1).

(3) If Congress wished to reproduce in H.R. 1249 a

forfeiture provision based upon inventor-attributable, U.S.-based "on sale" activities, it could have explicitly done so. However, the fact that § 102(a)(1) contains no such discrete forfeiture provision—and the fact that three other like inventor-attributable bars to patenting from old section 102 were repealed without reenactment—supports the conclusion that the newly enacted statute must mean what it plainly says. When newly enacted section 102 is taken as a whole, it should be self-evident that none of the old section 102 "loss of right to patent" provisions based on inventor-attributable activities were reenacted under the new statute.

3. H.R. REP. NO. 112-98 Eliminates Any Possible Doubt Over the Proper Construction To Be Given To Newly Enacted § 102(a)(1).

Since the opinions by both Judge Dyk and Judge O'Malley contained discussions of the legislative history relevant to H.R. 1249, it would have been appropriate for the panel to have considered the most relevant committee report from the Committee on the Judiciary of the U.S. House of Representatives relating to H.R. 1249, *i.e.*, the report specific to H.R. 1249 itself. This is especially so since "[o]nly one committee report, H.R. REP. NO. 112-98 (2011), was issued by a committee during the Congress in which [H.R. 1249] was enacted."[17]

Unlike Judge Dyk, Judge O'Malley does cite to a

---

[17] Joe Matal, *A Guide to the Legislative History of the America Invents Act: Part I of II*, 21 Fed. Cir. B.J. 435, 453 (2012)

congressional committee report. However, the report Judge O'Malley addresses in her opinion related to another patent bill in an earlier Congress that originated in the Senate, not the House.[18] Neither opinion considers what is in H.R. REP. NO. 112-98.

H.R. REP. NO. 112-98, in discussing the effect of newly enacted § 102(a)(1), notes that "[p]rior art will be measured from the filing date of the application and will typically include all art that publicly exists prior to the filing date, other than disclosures by the inventor within 1 year of filing." The report continues with the observation that "the phrase 'available to the public' is added to clarify the broad scope of relevant prior art, as well as to emphasize the fact that it must be publicly accessible."

While legislative history is not a substitute for legislation, when Congress makes a remarkable and unprecedented set of changes to the patent statute, a report such as H.R. REP. NO. 112-98 can represent the most authoritative non-textual source for understanding the intent and purpose of the statute and—as here—can reaffirm what the statute itself plainly explains is the legal standard to apply. Notwithstanding any provisions that might be found to be present in old § 102(b), H.R. REP. NO. 112-98 plainly sets out that newly enacted § 102(a)(1) is a "prior art" provision in which an overarching requirement for *public accessibility* of the "subject matter defined by a claim" is needed to bar a patent on the claim.

---

[18] S. Rep. No. 111-18 (2009).

4. The Panel Decision Ignored The Directive In H.R. 1249 That The "Subject Matter Defined By The Claim" Must Be "Available To The Public" To Invalidate A Patent Claim.

The panel decision failed to take any account of a final drafting difference between old § 102(b) and newly enacted § 102(a)(1). It is a drafting difference that—together with the new "or otherwise available to the public" text—cinches the impossibility that a proper construction of newly enacted § 102(a)(1) could find that this newly enacted paragraph preserves a forfeiture element based on inventor-attributable activities.

In analyzing the newly enacted statute, Judge Dyk frames the issue that the panel is to address with the following quote from 35 U.S.C. § 102(a)(1) [emphasis appears in the quotation], "By enacting the AIA, Congress amended § 102 to bar the patentability of an 'invention [that] was patented, described in a printed publication, or in public use, *on sale*, or otherwise available to the public before the effective filing date of the claimed invention.'"

Judge Dyk's quotation from the statute begins with the word "invention," but inexplicably omits from the quotation the immediately preceding word "claimed." What is remarkable about the omission of the word "claimed" from the panel's statutory quote is that—while the term "invention" is circularly defined in the 1952 Patent Act as "invention or discovery"[19]—

---

[19] 35 U.S.C. § 100(a).

the term "claimed invention"[20] is newly defined in the statute under H.R. 1249 in 35 U.S.C. § 100(j) to mean "the subject matter defined by a claim in a patent or an application for a patent." Incorporating this definition directly into newly enacted § 102(a)(1) clarifies its meaning: "on sale" activities cannot invalidate a patent claim unless *the subject matter defined by the claim was ... on sale, or otherwise available to the public.*

The plain meaning of the phrase "defined by the claim" is whatever *explains and describes the exact limits of the claim.*[21] Put into the language from Judge Dyk's opinion, the term "claimed invention" encompasses subject matter constituting the *details of the invention.*

Thus, this definition, overlooked in its entirety in the panel decision, is yet another indication that a proper construction of the entirely restructured section 102 under H.R. 1249 is simply devoid of any "loss of right to patent" provisions, including the "on sale" forfeiture that the panel applied based on old § 102(b).

---

[20] Congress extensively amended the Patent Act to make use of this newly defined term and did so in the hope of bringing more precision and clarity to the statute. This defined term appeared not at all in the repealed section 102, but appears no less than 16 times in newly enacted section 102.

[21] See Oxford Living Dictionaries (US English; Online) at https://en.oxforddictionaries.com/definition/us/define, "define" means "state or describe exactly the nature, scope, or meaning of" and "mark out the boundary or limit of" and Cambridge Dictionary (UK English; Online) at https://dictionary.cambridge.org/dictionary/english/define, "define" means "to explain and describe the meaning and exact limits of something."

B. The Panel Decision Cannot Properly Be Upheld As A Matter Of Nonstatutory, Judge-Made Law Given Such A Holding Would Do No More Than Contradict What Is In The Statute Itself And Frustrate The Constitutionally Consistent Objectives Of Congress In Enacting The New Patent Law.

While the panel insisted that it was applying a "statutory on-sale bar," the panel decision could not be justified on the alternative ground that it was propounding some sort of new judge-made law—in this case by putting into the patent law something outside the statute that was essential to the proper functioning of a patent system and overlooked or unintentionally left out by Congress.

The panel's "on sale" bar (*i.e.*, its holding that § 102(a)(1) authorizes forfeiture of the inventor's right to a patent arising from an inventor's pre-patent-filing "in public use" or "on sale" activities, irrespective of whether the subject matter defined by the patent claim is publicly accessible), is clearly not a viable candidate for such a judicial intervention. *The type of bar the panel describes is not known to exist in any other patent law in any country of the world.* This alone suggests no necessity for having one.

Such unanimity outside the United States is unsurprising given that—with the enactment of H.R. 1249—there is now no country in the world that operates a patent law on the first-to-invent principle. There is today no country in the world where its patent system operates on principles where such a bar might find colorable justification policy-wise.

The policy reasoning is straightforward. The patent system promotes progress in the useful arts when it encourages inventors to disclose their inventions promptly and *discourages measures that encourage inventors to keep their inventions hidden from the public.* Under the first-inventor-to-file principle, a strong incentive exists for inventors to disclose their discoveries early, before the public disclosures or patent filings by others bar them from seeking patents. They face the possibility of new novelty and non-obviousness bars each day a patent filing is delayed, once the invention is "ready for patenting." In addition, an inventor can no longer rely on an earlier "date of invention" to retrieve an old or obvious discovery from the public domain.

With a strong incentive to promptly file for a patent in a patent system anchored to the first-inventor-to-file principle, the continued imposition of either an "in public use" or "on sale" forfeiture bar in the first-inventor-to-file world—such as the one applied by the panel—actually violates rather than vindicates the "promoting progress" objective for the patent system. Once the panel's bar takes effect, it operates as a perverse incentive to keep all the details of the invention secret—because continued secrecy becomes the only remaining form of protection against copying by others. The day-by-day continuing incentive to disclose under the first-inventor-to-file principle is, thus, nullified.

The panel decision thus fails on statutory grounds as well as fails to meet any possible threshold for the courts to act outside the statute to preserve some aspect of the old § 102(b) forfeiture as a judge-made law. All this said, the panel obviously did rely on a policy justification for its holding through its reliance on this

Court's *Pennock*[22] decision, quoting extensively from the decision in a footnote and further asserting that it could not depart from *Pennock* "without making a foundational change in the theory of the statutory on-sale bar."

The panel's reliance on *Pennock*, however, appears misplaced. It appears that in *Pennock* the *inventor's licensee* sold and *thereby made available to the public* an *article of manufacture* that, absent rights under the patent, apparently would have infringed the patent.[23]

If so, *Pennock* stands for nothing more than the incontrovertible *novelty-defeating* principle later expressed by this Court as, "That which infringes if later, anticipates if earlier."[24] The patentee was simply seeking a patent on the prior art—and, to the Court in *Pennock*, it would have been of no consequence who had sought such a patent invalid over this inventor-attributable "prior art."

Indeed, what the patentee in *Pennock* unsuccessfully attempted to convince this Court was that the *public accessibility* of the claimed invention before the patent was sought should be *disregarded* as a prior art bar precisely because the "in public use" or "on sale" activities were inventor-attributable. This Court found no such patent-saving exception in the then-applicable patent statute.

---

[22] *Pennock v. Dialogue*, 27 U.S. (2 Pet.) 1 (1829).

[23] "[T]he article so publicly used, and afterwards patented, was made by a particular individual, who did so by the private permission of the inventor."27 U.S. (2 Pet.) at 15.

[24] *Peters v. Active Mfg.*, 129 U.S. 530, 537 (1889).

IV. CONCLUSION

Because the panel decision addressed—inadequately and wrongly—such a very important question arising from a singularly important effort to reform the Patent Act, this Court should grant certiorari.

Respectfully submitted,

Robert A. Armitage
Counsel of Record
320 Seaview Court
Marco Island, FL 34145
raarmitage@aol.com
(703) 801-6334

March 27, 2018